

RECORDATION NO. 21415 FILED

LAW OFFICES
REA, CROSS & AUCHINCLOSS
SUITE 570

MAY 15 '98

3-54 PM

THOMAS M. AUCHINCLOSS, JR.
LEO C. FRANEY
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DONALD E. CROSS (1923-1986)

BY HAND

May 15, 1998

Ms. Janice Fort
Equipment Recordation Office
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RE: Security Agreement on Rail Cars
NationsBank, NA - Lender
The Baker Group, LC Kansas/
Caldwell-Baker Company - Borrower

Dear Ms. Fort:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) is the following document:

An original copy of a Security Agreement dated May 13, 1998 -- a primary document as defined in the Board's Rules for Recordation of Documents under 49 CFR § 1177. The names and addresses of the parties to this Security Agreement are:

Secured Party: NationsBank, NA
14 West 10th Street
Kansas City, MO 64105

Debtor: ~~The Baker Group, LC~~ / Caldwell-Baker
Company
5250 W. 94th Terrace
Prairie Village, KS 66207

A full description of the railroad equipment covered by this Security Agreement is as follows:.

Two hundred and eighty (280) 4,740-4,785 cubic foot, 100 ton, through hatch, gravity discharge, covered hopper cars (reporting marks as listed in Exhibit A of the Security Agreement).

Counterparts - Robert A. Wimbish

Ms. Janice Fort
May 15, 1998
Page Two

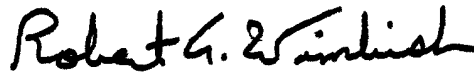
A short summary of the enclosed document to appear in the Commission's index is:

Security Agreement dated May 13, 1998, between The Baker Group, LC / Caldwell-Baker Company (debtor) and NationsBank, NA (secured party) covering two hundred and eighty (280) 4,740-4,785 cubic foot, 100 ton, through hatch, gravity discharge, covered hopper cars.

A recordation fee of \$26.00 is enclosed.

Please let me know if you need anything else.

Sincerely Yours,


Robert A. Wimbish

Enclosures

cc: William J. Hornung

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SECURITY AGREEMENT

THIS SECURITY AGREEMENT, is made and entered into this 13th day of May, 1998, by and between The Baker Group, LC Kansas & Caldwell-Baker Company, a Delaware corporation ("Borrower"), with offices at 5250 W. 94th Terrace, Prairie Village, KS, and NATIONSBANK, N.A., a national bank ("Lender") with offices at 14 West 10th Street, Kansas City, MO.

W I T N E S S E T H:

WHEREAS, Lender, Borrower, and others are parties to that certain Letter Agreement, dated March 11, 1998 (the "Loan Agreement") pursuant to which Lender has agreed to loan funds to Borrower (the "Loan"); and

WHEREAS, pursuant to the Loan Agreement, Borrower and others have executed and/or delivered certain documents (the "Loan Documents"), including, but not limited to, the Loan Agreement, this Security Agreement and a Promissory Note dated 4-30-98 in the maximum principal amount of \$2,000,000 payable to Lender (the "Note");

WHEREAS, Borrower desires to secure the performance of its obligations to pay, duly and punctually, the principal of and interest on the Note and to perform, duly and punctually, all other obligations of every kind whatsoever owing to Lender including, but not limited to, the Secured Obligations (as hereinafter defined).

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) in hand paid by Lender to Borrower and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and Borrower, intending to be legally bound, hereby agree as follows:

1. Secured Obligations. This Security Agreement is given to secure the due and punctual payment of the principal of and interest on the Note, the due and punctual performance of all other obligations under the Note and this Security Agreement and the other Loan Documents, and the due and punctual payment and performance of all other indebtedness and obligations of Borrower to Lender whether now existing or hereafter arising, however evidenced, whether direct or indirect, absolute or contingent, individually or jointly with any other person or entity, together with any extensions and renewals of the foregoing obligations and reasonable attorneys' fees if collected by or through an attorney-at-law (collectively the "Secured Obligations").

2. Security Interest. As security for the due and punctual payment and performance by Borrower of the Secured Obligations, Borrower hereby pledges, assigns, transfers, sets over, conveys and delivers to Lender, and grants to Lender a

security interest in, all right, title and interest of Borrower in and to the following property of Borrower described on Exhibit A attached hereto and made a part hereof and all products and proceeds thereof, including, without limitation, proceeds of insurance policies insuring the foregoing, together with all additions and accessions to any of the foregoing and all substitutions and replacements for any of the foregoing (the "Collateral"). Proceeds, for the purposes of this paragraph shall specifically exclude any amounts received from the current lawsuit 96-C-11-04 now under way against Burlington Northern Railroad ("BNR") or from any contemplated actions arising from the two lease agreements executed in 1987 between Caldwell-Baker Corp., and BNR.

2-A. Assignment of Lease Interest. In connection with the subject Security Agreement, and as a related element of the finance transaction contemplated and covered by this instrument, Borrower agrees to convey and assign to Lender Borrower's rights and interest in two rail car lease agreements involving the Collateral, as such lease agreements are described immediately below:

(a) a lease agreement dated as of August 15, 1997, by and between Caldwell-Baker Company ("Lessor") and Columbia Grain International, Inc. ("Lessee"), including all supplements and amendments thereto, if any; and

(b) a "Railcar Lease Agreement" dated as of August 29, 1997, by and between Caldwell-Baker Company ("Lessor") and Southern Illinois Railcar Company ("Lessee"), including all supplements and amendments thereto, if any.

CB

Borrower will assign to Lender the above-described rail car leases in instruments entitled "Memorandum of Assignment of Lease for Security Interest Only," which instruments will identify with specificity the rail cars which will be subject to the assignments. The parties agree that the aforementioned lease agreements, and supplements and amendments thereto, and assignments thereof, shall be recorded with the Surface Transportation Board.

3. Representations, Warranties and Agreements. Borrower hereby represents, warrants and agrees to and with Lender as follows:

(a) Borrower has full power and authority to assign and convey the Collateral to Lender and Borrower has full title to the Collateral. The security interest in the Collateral granted to Lender herein is a

first-priority security interest in and encumbrance on all rights, title and interest of Borrower in and to the Collateral;

(b) No financing statement, security interest, mortgage, deed of trust, deed to secure debt, statutory or common law lien, or other lien or encumbrance covering the Collateral or its proceeds is outstanding or on file in any public office;

(c) The Collateral will be used solely for business use and will remain in the legal possession or legal control of Borrower at all times at Borrower's risk of loss;

(d) Borrower will take or cause to be taken all necessary and appropriate action to protect and preserve the value of and its rights, title and interest in and to the Collateral and its proceeds, including without limitation, payment of all taxes, fees, assessments, insurance premiums and other charges that may be imposed on or relate to the Collateral. Borrower will maintain all Collateral in good condition and will not waste, misuse, abuse or otherwise permit the Collateral to deteriorate in value, except for the ordinary wear and tear in connection with its intended use;

(e) Borrower will not sell, lease, assign, or create or permit to exist any subsequent lien on or security interest in any Collateral to or in favor of anyone other than Lender, without the prior written approval of Lender.

(f) In the event that there shall be filed, perfected, or sought to be enforced in the future any statutory or common law lien in favor of materialmen, mechanics, laborers, warehousemen or other storers of property, Borrower shall promptly bond or discharge such lien.

4. Events of Default. The occurrence of (i) any default in the timely payment of principal or interest on the Note or (ii) the breach by the Borrower of any representation, warranty or covenant contained herein or in any other Loan Document, that is not cured within the applicable grace period

contained therein, shall constitute an Event of Default by Borrower hereunder.

5. Lender's Rights Exclusive of Default. Borrower agrees that during the term of this Security Agreement Lender shall be entitled to exercise any or all of the following rights:

(a) This Security Agreement, the rights of Lender hereunder, or the indebtedness secured hereby may be assigned from time to time, and in any such case the assignee shall be entitled to all of the rights, privileges and remedies granted in this Security Agreement to Lender;

(b) Lender may, upon prior notice to Borrower, enter upon Borrower's premises, or wherever the Collateral may be at any reasonable time to inspect the Collateral and to inspect the books and records pertaining to the Collateral, and Borrower shall assist Lender in making any such inspection;

(c) At its option, Lender may (but shall not be obligated to) from time to time (i) discharge taxes, liens, security interests or other encumbrances at any time levied or placed on the Collateral, (ii) pay for insurance on the Collateral that Borrower fails to maintain as required by this Security Agreement, or (iii) perform any other agreement of Borrower hereunder or under the Agreement that Borrower shall fail to perform and take any other reasonable action that Lender deems necessary for the maintenance or preservation of any of the Collateral or its interest therein. Borrower agrees to reimburse Lender on demand for any payment made or reasonable expenses incurred by Lender pursuant to the foregoing authorization and agrees that all such payments or expenses shall be secured hereby.

6. Remedies on Default. Upon the occurrence of an Event of Default as described in Paragraph 4 hereof, and only after notifying Borrower in writing, sent by certified mail, of said Event of Default and following thirty (30) calendar days, starting with the date said notice is placed in the U.S. Postal Service for certified mail, with the Event of Default not being cured or corrected, Lender may, in its sole discretion and without further notice or demand (i) declare all of the Secured Obligations to be immediately due and payable, (ii) proceed

immediately to exercise any and all of the Lender's rights, powers and privileges with respect to the Collateral, including, without limitation, the right to repossess or sell or otherwise dispose of the Collateral or any part thereof in such manner as Lender in its sole discretion may choose, or (iii) exercise any other right or remedy available to Lender under the applicable Uniform Commercial Code or otherwise available by agreement, at law or in equity. All rights and remedies specified herein are cumulative and are in addition to such other rights and remedies as are available to the Lender. Upon and after an Event of Default, Borrower agrees, upon request by Lender, to assemble the Collateral at allocation reasonably convenient to Lender and to make such Collateral available to Lender. Borrower authorizes Lender upon the occurrence of an Event of Default to enter the premises where the Collateral is located and to take possession of and remove any such Collateral without further notice or demand and without institution of legal proceedings. Any requirement imposed by law for reasonable notification of any intended disposition of the Collateral shall be deemed reasonably and properly made if given in accordance with the provisions of this Security Agreement at least ten (10) days prior to any public sale of the Collateral or the time at which any private or other intended disposition of the Collateral is to be made; provided, however, no notice shall be required with respect to any Collateral which is perishable, threatens to decline speedily in value or is sold in or on a recognized market. Borrower hereby authorizes Lender pursuant to the Power-of-Attorney granted in Paragraph 7 hereof to sign and execute in the name of Borrower any intended transfer, conveyance or instrument in writing that may be necessary or desirable to effect any dispositions of the Collateral. No disposition of any Collateral shall extinguish any Secured Obligation of Borrower except to the extent that the net proceeds are applied thereto.

7. Power-of-Attorney. While any Event of Default exists and is continuing -- and only after the thirty (30) day right to cure period expires -- Borrower does hereby irrevocably make, constitute and appoint Lender and any of its officers or designees its true and lawful attorney-in-fact, with full power and authority to do any and all acts necessary or proper to carry out the intent of this Security Agreement including, without limitation, the right, power and authority (i) to enforce all rights of Borrower under and pursuant to any agreements with respect to the Collateral, all for the sole benefit of Lender; (ii) to enter into and perform such arrangements as may be necessary in order to carry out the terms, covenants and conditions of this Security Agreement that are required to be observed or performed by Borrower; (iii) to execute such other and further mortgages, pledges and assignments of the Collateral as Lender may reasonably require for the purpose of perfecting, protecting or maintaining the security interest granted to Lender by this Security Agreement; and (iv) to do any and all other

things necessary or proper to carry out the intent of this Security Agreement, and Borrower hereby ratifies and confirms all that Lender as such attorney-in-fact or its substitutes do by virtue of this Power-of-Attorney, which power is coupled with an interest and is irrevocable, until Borrower has paid in full the Secured Obligations and this Security Agreement is terminated.

8. Borrower to Hold in Trust. Subsequent to the occurrence of any Event of Default and regardless of whether Lender makes any demand to or request of Borrower, Borrower agrees, subject to the rights of holders of security interests in the Collateral having priority over the security interest of Lender, to hold in trust for Lender any and all cash, checks, drafts, items, chattel paper and other instruments or writings for the payment of money that may be received by Borrower in full or partial payment or otherwise as proceeds of any of the Collateral, in precisely the form received. Borrower will immediately upon request by Lender endorse, transfer and deliver any and all such payments to Lender for application against the Secured Obligations. Proceeds, for the purposes of this agreement shall specifically exclude any amounts received from the current lawsuit (docketed as 96-C-11-04) now under way against Burlington Northern Railroad ("BNR") or from any contemplated actions arising from the two lease agreements executed in 1987 between Caldwell-Baker Corp., and BNR.

9. Application of Proceeds. The proceeds from the sale of or other realization on the Collateral pursuant to Paragraph 6 hereof shall be applied as follows:

(a) First, to the payment of all reasonable costs and expenses incurred by Lender in connection with such sale or other realization including, without limitation, attorneys' fees as specified in Paragraph 1 hereof and all court costs, and to the repayment of all advances by Lender hereunder for the account of Borrower and the payment of all reasonable costs and expenses paid or incurred by Lender in connection with or in the exercise of any right or remedy under this Security Agreement, to the extent that such advances, costs and expenses shall not have been previously paid to Lender upon its demand to Borrower therefor;

(b) Second, to the payment in full of the principal and interest on the Note;

(c) Third, to Lender in payment in full of all of the remaining Secured Obligations of Borrower; and

(d) Fourth, to Borrower or as a court of competent jurisdiction may direct.

10. Financing Statements. Borrower will execute financing statements or other documents deemed necessary by Lender to perfect or preserve its security interest in the Collateral and the proceeds thereof, and will pay the costs of fees of filing or recording such statements or documents in all jurisdictions deemed necessary by Lender. Borrower hereby authorizes Lender to file continuations to financing statements without the signature of Borrower so long as they shall be consistent with the intent of this Security Agreement. Upon payment in full of the Secured Obligations and the termination of this Security Agreement, Lender shall execute and deliver to Borrower such termination statements as Borrower shall reasonably request.

11. Term of Agreement. Borrower may terminate this Security Agreement and Lender shall release its security interest in the Collateral upon the payment in full by or on behalf of Borrower of all of the Secured Obligations is set aside, voided or recovered, this Security Agreement and Lender's rights in the Collateral shall continue in full force and effect and shall not be deemed to have terminated or lapsed due to such prior payment.

12. Indemnity. Borrower hereby agrees to indemnify Lender and its agents, servants and employees against and agrees to protect, save and hold harmless each thereof from any and all liabilities, obligations, losses, damages, penalties, actions, suits, costs, expenses (including reasonable attorneys fees) and disbursements of whatever kind and description imposed on, incurred by or asserted against any such person in any way arising out of or related to the Collateral, the Secured Obligations, the Note, this Security Agreement, the transactions contemplated thereby and hereby, or the use, possession, maintenance, operation, condition, sale, registration, ownership, lease or other disposition of the Collateral.

13. Survival of Representations and Warranties. All representations and warranties contained herein or made by or furnished on behalf of Borrower in connection herewith shall survive the execution and delivery of this Security Agreement.

14. Modification. No modification, amendment or alteration of any provision of this Security Agreement shall be effective unless contained in a written agreement signed by the parties hereto, and then such modification, amendment or alteration shall be effective only in the specific instances and for the specific purposes for which given.

15. Successors and Assigns. This Security Agreement shall bind and inure to the benefit of the parties and their

respective successors and assigns; provided, however, Borrower shall have no right to assign its rights or obligations hereunder to any person or entity.

16. Further Assurances. Upon the request of Lender, Borrower shall duly execute and deliver, at the cost and expense of Borrower, such further instruments as may be necessary or proper, in the judgment of Lender to carry out the provisions and purposes of this Security Agreement or to perfect, protect and preserve the security interest of Lender in the Collateral or in any portion thereof.

17. Time of Essence. Time is of the essence in interpreting and performing this Security Agreement.

18. Expenses. Borrower will pay to Lender all reasonable costs and expenses of, or incidental to, the enforcement of any of the provisions of this Security Agreement.

19. No Waiver. No delay or failure on the part of Lender or Borrower in the exercise of any right, power or privilege under this Security Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or any acquiescence therein. NO single or partial exercise of such right, power or privilege shall preclude the further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver shall be valid against Lender or Borrower unless made in writing and signed by Lender or Borrower, and then only to the extent expressly specified therein. Borrower hereby waives presentment and notice of dishonor and protest of all instruments included in or evidencing the liability of Borrower in respect to the Secured Obligations or the Collateral and any and all notices and demands whatsoever, whether or not relating to such instruments, except as otherwise provided in such instruments. This waiver will not in any way terminate or alter Lender's obligation under Paragraph 6 to provide Borrower written notice of an Event of Default before exercising its remedies.

20. Severability. If any part of any provision contained in this Security Agreement shall be invalid or unenforceable under applicable law, said part shall be ineffective to the extent of such invalidity only, without in any way affecting the remaining parts of said provisions or the remaining provisions.

21. Choice of Law. This Security Agreement shall be governed by and interpreted in accordance with the laws of the State of Missouri.

22. Descriptive Headings. The descriptive headings of the several paragraphs of this Security Agreement are inserted

for convenience only and do not constitute a part of this Security Agreement.

23. Counterparts. This Security Agreement may be executed in any number of counterparts, each of which shall be deemed in be an original and all of which, taken together, shall constitute one and the same instrument.

24. Entire Agreement. This Security Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereof, are expressly superseded hereby.

WITNESS the hand and seal of the parties hereto through their duly authorized officers.

BORROWER

By: Carl B. Baker

Title: President

Company: CALDWELL-BAKER COMPANY

BORROWER

By: Carl B. Baker

Title: Member

Company: THE BAKER GROUP, LC

LENDER

NATIONSBANK, N.A.

By: [Signature]

Title: Vice President

Exhibit A

280 RFMX MARKED CARS OWNED BY BG/CBC FOR LIEN NATIONSBANK

	A	B	C	D	E	F
1	51001	464316	464640	464775	464831	464889
2	51004	464321	464646	464776	464833	464890
3	51005	464335	464649	464777	464834	464892
4	54750	464336	464653	464779	464835	464893
5	464041	464344	464656	464780	464836	464894
6	464042	464360	464673	464781	464837	464895
7	464087	464361	464694	464782	464838	464896
8	464100	464369	464696	464783	464839	464897
9	464101	464370	464703	464784	464840	464899
10	464112	464373	464704	464785	464841	464901
11	464115	464376	464713	464786	464843	464902
12	464137	464402	464721	464787	464844	464903
13	464165	464403	464727	464788	464845	464904
14	464166	464405	464728	464789	464847	464905
15	464168	464409	464729	464791	464848	464906
16	464170	464410	464731	464792	464849	464907
17	464173	464411	464732	464793	464850	464907
18	464175	464413	464733	464794	464851	464908
19	464177	464414	464734	464795	464852	464910
20	464192	464416	464735	464796	464853	464911
21	464193	464417	464736	464797	464854	464912
22	464195	464420	464737	464798	464855	464913
23	464197	464421	464738	464799	464856	464914
24	464198	464422	464739	464801	464857	464915
25	464199	464425	464740	464802	464858	464916
26	464201	464426	464742	464803	464859	
27	464202	464429	464743	464804	464860	
28	464204	464436	464744	464805	464861	
29	464207	464446	464745	464806	464862	
30	464208	464449	464746	464807	464863	
31	464211	464456	464747	464808	464864	
32	464212	464458	464748	464809	464865	
33	464214	464464	464749	464810	464866	
34	464218	464469	464752	464811	464868	
35	464228	464470	464754	464812	464869	
36	464230	464483	464755	464813	464870	
37	464233	464484	464756	464814	464871	
38	464242	464487	464760	464815	464872	
39	464248	464490	464761	464816	464873	
40	464249	464491	464762	464817	464875	
41	464260	464492	464763	464818	464876	
42	464275	464496	464764	464819	464877	
43	464279	464525	464765	464820	464879	
44	464280	464547	464766	464822	464880	
45	464282	464566	464767	464823	464881	
46	464286	464573	464768	464824	464882	
47	464288	464590	464769	464825	464883	
48	464293	464605	464770	464826	464884	
49	464307	464610	464771	464828	464886	
50	464308	464636	464772	464829	464887	
51	464311	464639	464774	464830	464888	

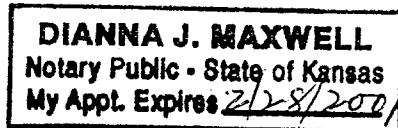
State of Kansas)
County of Johnson)

On this 13th day of May, 1998, before me appeared Carle Baker, Jr. to me personally known, who being by me duly sworn, did say that he is a Managing Member of The Baker Group, LC, a corporation organized under the laws of the State of Kansas, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said officers acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

My Term expires: 2/28/2001


Notary Public



State of Kansas)
County of Johnson)

On this 13th day of May, 1998, before me appeared Carle Baker, Jr. to me personally known, who being by me duly sworn, did say that he is the President of Caldwell-Baker Company, a corporation organized under the laws of the State of Kansas, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said officers acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

My Term expires:

2/28/2001


Notary Public

DIANNA J. MAXWELL
Notary Public - State of Kansas
My Appt. Expires 2/28/2001

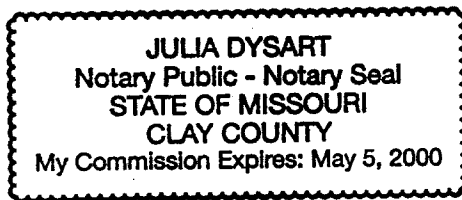
State of Missouri)
County of Jackson)

On this 14th day of May, 1997, before me appeared William J. Hornung to me personally known, who being by me duly sworn, did say that he is the Vice President of NationsBank, a corporation organized under the laws of the United States of America, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said directors acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

My Term expires: *May 5, 2000*

Julia Dysart
Notary Public



AFFIDAVIT

City of Washington)
) ss.
District of Columbia)

Robert A. Wimbish, being duly sworn according to the law,
deposes and states as follows:

1. I am submitting for recordation with the Surface
Transportation Board the attached copy of a "Security Agreement"
dated as of May 13, 1998, by and between NationsBank, NA
("Lender") and The Baker Group, LC / Caldwell Baker Company
("Borrower").

2. I have compared the attached copy with the original
document, and I have found the attached copy to be complete and
identical in all respects to the original document.

Robert A. Wimbish
(Signature)

Robert A. Wimbish
(Printed or Typed)

Subscribed and sworn to before me, a Notary Public, in
and for the City of Washington, District of Columbia, this 15th
day of May, 1998.

My Commission expires:

03/31/2001

Mary P. Robinson
(Notary Public)